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Cap Report

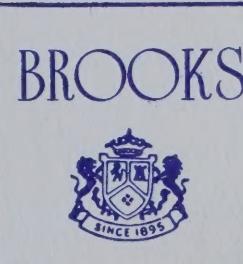
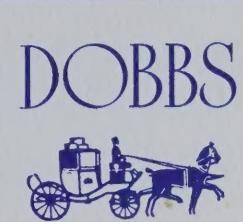
BILTMORE HATS LIMITED

GUELPH

CANADA

ANNUAL REPORT

1965





NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual Meeting of shareholders of Biltmore Hats Limited will be held at the Head Office of the Company, 139 Morris Street, Guelph, Ontario, on Saturday, the twenty-third day of January, 1965, at the hour of 11:00 o'clock in the forenoon for the purpose of

- (a) Receiving and considering the report of the Directors for the year ended October 31, 1964, the financial statements and the report of the Auditors thereon;
- (b) Electing Directors;
- (c) Appointing Auditors;
- (d) Considering and, if thought fit, approving and ratifying all acts and proceedings of the Board of Directors, and of the Officers of the Company since the last Annual Meeting of Shareholders, as set forth or described in the Minute Books or in the Financial Statements of the Company; and
- (e) Transacting such other business as may properly be brought before the Meeting or any adjournment thereof.

Shareholders registered on the books of the Company at the close of business on December 24, 1964, are entitled to receive notice of said meeting. Shareholders registered on the books of the Company at the close of business on January 13, 1965, are entitled to attend and vote at said meeting and may be represented thereat by proxies duly filed with the Secretary.

Shareholders who are unable to attend the Meeting are requested to date and sign the attached instrument of proxy and file it with the Secretary of the Company.

DATED January 6, 1965

By Order of the Board
N. H. DUNCAN,
Secretary-Treasurer.

BILTMORE HATS
LIMITED
GUELPH - ONTARIO

INSTRUMENT OF PROXY

I, the undersigned, a Shareholder of BILTMORE HATS LIMITED, hereby appoint Wm. F. Franke, or him failing N. McMillan, or him failing R. P. Ramsey, as my proxy to vote for me and on my behalf at the Annual Meeting of Shareholders to be held on the twenty-third day of January, 1965, and at any adjournment thereof.

DATED.....



AVIS D'ASSEMBLEE ANNUELLE DES ACTIONNAIRES

PAR LES PRESENTES, nous désirons vous aviser que l'Assemblée Annuelle des Actionnaires de Biltmore Hats Limited se tiendra au bureau-chef de la Compagnie, 139, rue Morris, Guelph, Ontario, samedi, le vingt-troisième jour de janvier, 1965, à 11:00 heures de l'avant-midi, aux fins de

- (a) Prendre connaissance et étudier le compte-rendu des Directeurs pour l'année fiscale terminée le 31 octobre 1964 ainsi que les états de comptes financiers et le bilan des Vérificateurs;
- (b) Elire les Directeurs;
- (c) Nommer les Vérificateurs;
- (d) Etudier et, si jugé opportun, approuver et ratifier toutes actions et procédures du Bureau de Direction et des Officiers de la Compagnie depuis la dernière Assemblée Annuelle des Actionnaires, telles qu'exposées ou décrites dans le Régistre des Délibérations ou dans les Etats Financiers de la Compagnie, et de
- (e) Discuter toute autre proposition d'affaire correctement soumise à l'Assemblée ou à tout ajournement d'icelle.

Les Actionnaires enrégistrés dans les livres de la Compagnie à la fermeture des affaires le 24 décembre 1964 ont le droit de recevoir un avis de la tenue de la dite assemblée. Les Actionnaires enrégistrés dans les livres de la Compagnie à la fermeture des affaires le 13 janvier 1965 ont le droit d'assister à cette assemblée et d'y voter ou de s'y faire représenter par procuration après avoir dûment rempli et déposé au Secrétariat la formule requise.

Les Actionnaires qui sont dans l'impossibilité d'assister à l'Assemblée voudront bien dater et signer la formule de procuration ci-jointe et l'adresser au Secrétaire de la Compagnie.

Datée ce 6ème jour de janvier, 1965.

Par Ordre du Conseil
N. H. DUNCAN,
Secrétaire-Trésorier.

BILTMORE HATS
L I M I T E D
GUELPH - ONTARIO

PROCURATION

Je, sous-signé, Actionnaire de Biltmore Hats Limited, autorise par la présente Wm. F. Franke, ou à son défaut, N. McMillan, ou à son défaut, R. P. Ramsey à agir comme mon fondé de pouvoir et de voter en mon nom à l'Assemblée Annuelle des Actionnaires cédulée pour le 23ème jour de janvier, 1965 et à tout ajournement d'icelle.

Datée.....

BILTMORE HATS LIMITED - 139 MORRIS ST. GUELPH CANADA

DIRECTORS

WILLIAM F. FRANKE	GUELPH, ONTARIO
NORMAN McMILLAN	GUELPH, ONTARIO
MARTIN L. WILLS	TORONTO, ONTARIO
MICHAEL D. McMILLAN	GUELPH, ONTARIO
LEONARD D. GRIFFITHS	TORONTO, ONTARIO

OFFICERS

WILLIAM F. FRANKE	CHAIRMAN OF THE BOARD
NORMAN McMILLAN	PRESIDENT
MICHAEL D. McMILLAN	EXEC. VICE PRESIDENT
MARTIN L. WILLS	VICE PRESIDENT
E. ROSS GLOVER	SECRETARY-TREASURER

REGISTRAR AND TRANSFER AGENTS

CANADA PERMANENT TRUST COMPANY, TORONTO

HEAD OFFICE

139 MORRIS ST. GUELPH, CANADA

WESTERN FABRIC DIVISION

31 McDERMOTT AVENUE WINNIPEG, MANITOBA

SALES OFFICES

VANCOUVER CALGARY EDMONTON
SASKATOON WINNIPEG
TORONTO HAMILTON OTTAWA
MONTREAL QUEBEC CITY HALIFAX
ST. JOHN'S NFLD.**

ANNUAL GENERAL MEETING OF SHAREHOLDERS

JANUARY 15, 1966

The President's Report

TO OUR SHAREHOLDERS:

Your directors are pleased to present the Consolidated Balance Sheet of your Company, and Statement of Profit and Loss and Surplus, for the year ended October 31, 1965.

EARNINGS:

The consolidated net earnings for the fiscal year of 1965 are \$88,143. after taxes and all other charges, which is an increase of 7% over the net profit in 1964 of \$83,320. Earnings per share on the combined class "A" and Common Shares are \$1.10 per share in 1965 compared with \$1.04 per share in 1964.

DIVIDENDS:

Dividends of \$1.00 per share were paid on Class "A" stock and \$.40 per share on the Common stock of the company during the year. This is the 37th consecutive year since the inception of Biltmore Hats Limited as a public company in 1929, that a dividend has been paid.

FINANCIAL:

The first instalment of the long term 6% note was paid in 1965 reducing the long term liability on the Balance Sheet to \$62,500.

MARKETING:

The Cloth Hat & Cap sales were down slightly from the prior year, but our backlog of orders for this division is at an all time high, and steps have been taken during the year, to increase production facilities. Due to climatic conditions, the sales of Straw Hats decreased for the first time in nine years. Sales of Ladies' and Men's Bodies also decreased during the year with the heavy influx of imports from low wage European manufacturers.

With the acquisition of the assets of Buckley-Brooks Hats Limited of Montreal during the past year, your company has further advanced its participation in the Fur Felt and Straw Hat market.

GENERAL:

During the past year your company changed the name of our Cap and Hat division to Biltmore (Western) Limited to further utilize the well known Biltmore label.

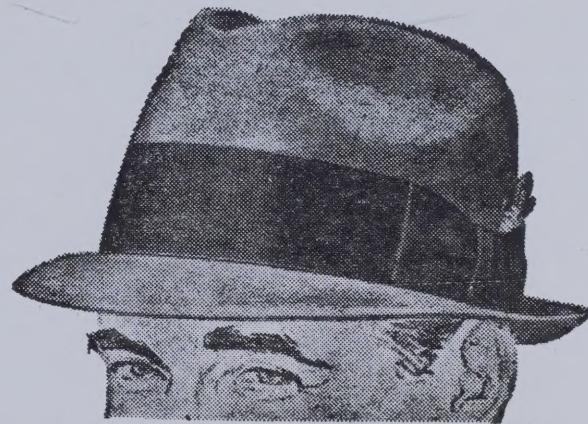
The success and growth of the company has in large measure been due to the united efforts of employees in their various capacities.

The Directors record their grateful appreciation to all groups — customers, employees and shareholders who contributed to the most satisfactory results during the past year.

On Behalf of the Board of Directors

Norman McMillan, President

Biltmore



***SNAP-amatic** HAT**

Biltmore stylists proudly present one of the greatest achievements of the Master Hatters art—the SNAP-amatic, the only brim in the world that snaps perfectly every time.

SNAP-amatic, an exclusive Biltmore development, is a feature of the "All Canadian" shown here.

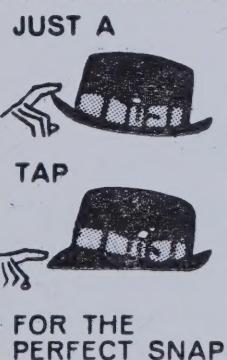
Available in a wide range of textures and colours from \$9.50 to \$20.00.

Exclusive with Biltmore

*PATENT PENDING

BILTMORE HATS LIMITED GUELPH, CANADA

7301 REV





BILTMORE HATS

AND ITS SUBSIDIARY

LIMITED
GUELPH • ONTARIO

CONSOLIDATED BALANCE

(WITH COMP)

A S S E T S

	1965	1964
Current		
Cash.....	4,048	634
Accounts receivable, less allowance for doubtful accounts.....	771,217	840,039
Inventory of merchandise and supplies on hand at the lower of cost or market value.....	675,592	658,457
Life insurance, at cash surrender value.....	14,027	9,325
Prepaid Expenses.....	8,518	17,332
 Total Current Assets.....	 1,473,402	 1,525,787
 Fixed		
Land, building, machinery, equipment and automobiles—cost.....	1,159,662	1,141,216
 Less		
Accumulated depreciation.....	837,768	802,308
 Other—at cost.....	 321,894	 338,906
	15,000	5,000
	 1,810,296	 1,869,693

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Biltmore Hats Limited and its wholly owned subsidiary as at October 31, 1965 and the consolidated statements of profit and loss and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, the said consolidated balance sheet and consolidated statements of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at October 31, 1965 and the results of their operations for the year ended on that date in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario.

December 10, 1965.

FRED PAGE HIGGINS AND COMPANY,
Chartered Accountants.

HEET, OCTOBER 31, 1965

TIVE FIGURES)

LIABILITIES

Current	1965	1964
Bankers' advances.....	236,121	37,619
Accounts payable and accrued charges.....	261,151	266,523
Income and other taxes.....	95,522	55,192
Note payable.....		250,000
Mortgage Bonds Payable.....		37,500
Total Current Liabilities.....	592,794	646,834
Note Payable—6% due 1965-67.....	62,500	100,000

Capital

—CAPITAL STOCK

Authorized

50,000 cumulative preferred \$1.00 dividend non-redeemable
participating class "A" shares without par value

50,000 common shares without par value

Issued and outstanding	1965	1964
40,000 class "A" shares and 40,000 common shares	85,475	85,475
Consolidated Earned Surplus.....	1,069,527	1,037,384
	1,155,002	1,122,859
	1,810,296	1,869,693
Customers' paper under discount.....	617,286	349,426

Approved on behalf of the Board

N. McMILLAN, Director

M. McMILLAN, Director



BILTMORE HATS
LIMITED
AND ITS SUBSIDIARY
GUELPH - ONTARIO

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED OCTOBER 31, 1965

(WITH COMPARATIVE FIGURES)

	<u>1965</u>	<u>1964</u>
Consolidated profit for the year before the following deductions.....	276,696	267,990
Directors' fees.....	800	700
Remuneration of Executive Officers.....	65,150	61,500
Depreciation.....	36,551	37,807
Pension plan premiums.....	18,052	25,963
	<hr/> 120,553	<hr/> 125,970
Profit before taxes on income.....	156,143	142,020
Federal and Provincial Income Taxes.....	68,000	58,700
Consolidated Profit for the year.....	<hr/> 88,143	<hr/> 83,320

CONSOLIDATED STATEMENT OF EARNED SURPLUS

FOR THE YEAR ENDED OCTOBER 31, 1965

(WITH COMPARATIVE FIGURES)

	<u>1965</u>	<u>1964</u>
Balance November 1, 1964.....	1,037,384	1,010,064
Add: Consolidated net profit for the year.....	88,143	83,320
	<hr/> 1,125,527	<hr/> 1,093,384
Less: Dividends paid		
Class "A".....		
Common.....	56,000	56,000
Balance, October 31, 1965.....	<hr/> 1,069,527	<hr/> 1,037,384

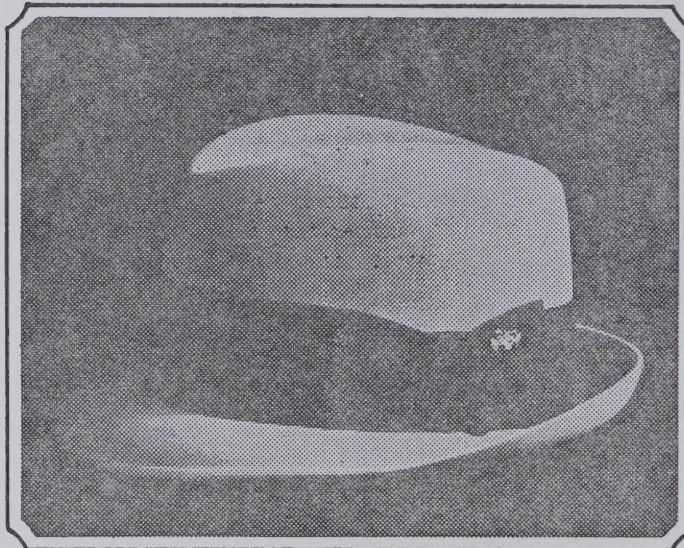
KNOX CANADIAN BEAVER

FROM THE CHARLES KNOX
COLLECTION OF SUPERB HATS

Opulent, Distinctive, Luxurious
are words that take on
new meaning when used
to describe the superfine
finish of this new Canadian Beaver.

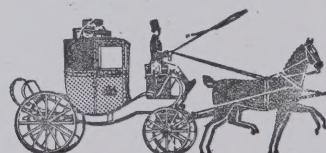
The Charles Knox Collection is
proud of the meticulous crafting
and exacting detail that make this
casual hat the epitome of perfection.

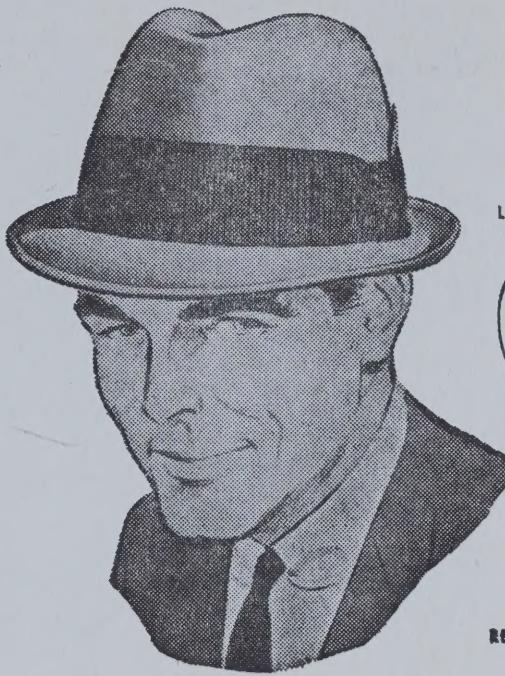




The Golden Coach Collection
by DOBBS

The exclusive Golden Coach Hat Collection by Dobbs, distinguished by the quality craftsmanship of proud custom hatters. Classically styled. Meticulously rendered. No more extravagant than a gentleman's taste demands. Beginning at \$25.00.





BILTMORE STRETCHFIT

*... with the
floating fit Stretch Band*

The shape of a man's head is as individual as his fingerprints ... no two head shapes are alike. Because of this, no one could be guaranteed a perfect hat fit.... until now!

The Stretchfit hat changes all this. The secret's in the exclusive Stretch inner band of Dacron, Cotton and Lycra that conforms to any head shape instantly, perfectly, permanently.

Never before has a hat felt so comfortable, so light, so right on the head. Truly a new dimension in hat comfort.

